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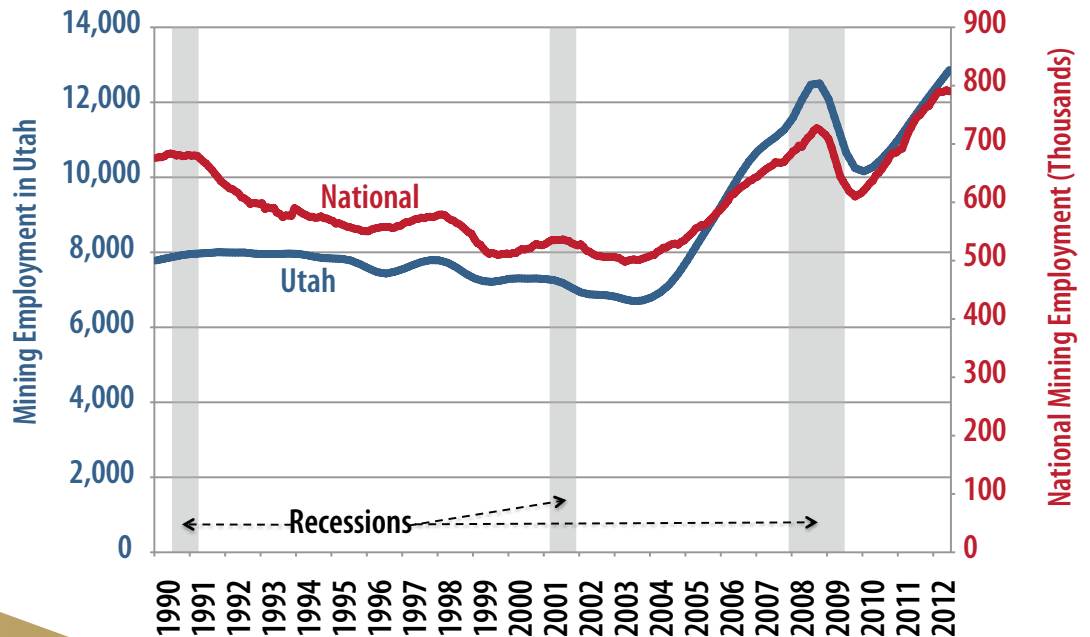
At 5.2 percent, Utah currently enjoys the sixth-lowest unemployment rate in the country. This is a 3.1 percentage-point drop from the recession high unemployment rate of 8.3 percent. Relative to all other states in the country, this turnaround is pretty impressive. So, just what is happening in Utah's economy? From an industry standpoint, Utah has been experiencing robust job growth in several private sector industries, including professional business services, wholesale trade, and transportation and warehousing. Although it accounted for roughly 1 percent of total nonfarm employment in the state of Utah (second smallest industry sector in terms of employment), the mining industry in 2011 had almost triple the growth rate of the second-fastest growing industry (professional business services), with an exceptional 11.7 percent year-over-year employment growth. Oil and gas in the Uintah Basin has been driving much of this recent growth. The two figures provided offer deeper insight into Utah's mining trends over the last two decades.

As Figure 1 illustrates, Utah's mining trends tend to move with the national mining trends; both are seasonally adjusted to provide a clearer perspective. Mining experienced a surge in employment leading up to the Great Recession at both the state and national levels, after

which employment declined markedly for several quarters. January 2010 marks a turnaround for both national- and state-level mining employment, having exceeded their pre-recession employment highs. Few other industries at either local or national levels can make the same claim.

Figure 2 digs deeper into Utah's mining industry according to region and provides both historical and projected employment trends. Once again, the data are seasonally adjusted. The bulk of employment in Utah's mining industry falls within three different regions and specific activities: Salt Lake County is comprised mostly of mineral and quarry mining; the Uintah Basin (Duchesne and Uintah counties) is mostly comprised of oil and gas mining; Castle Country (Carbon and Emery counties) is almost entirely comprised of coal mining. There are a couple of things that immediately jump out in Figure 2. Oil and gas in Uintah Basin has experienced a tremendous boom in employment. Despite the drop resulting from the Great Recession, the employment trend here has exceeded its pre-recession level. The same can also be said for mining in Salt Lake County. On the other hand, coal mining has fallen since the Great Recession and continues to fall. The historical series for each of these regional industries results in the projections shown for each

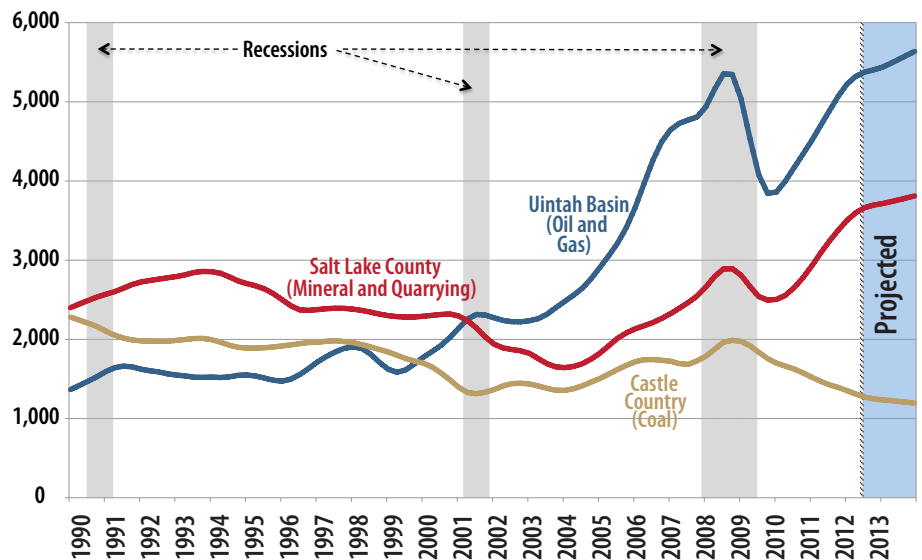
Figure 1: State of Utah and National Mining Employment
January 1990 to June 2012 • Seasonally Adjusted



region: increasing employment in the Uintah Basin and in Salt Lake County and a decreasing trend in Castle Country. Interestingly, it can be argued that the natural gas industry is putting pressure on coal as a competing energy input, as low natural gas prices help to suppress the demand for coal.

Although mining is responsible for a minor share of total private sector employment in Utah, one cannot help but notice the tremendous growth occurring in this industry, which in turn provides boosts in employment within other sectors such as heavy construction and trucking. Furthermore, if domestic energy costs such as natural gas can continue to remain low, this may eventually help to solidify the return of thousands of manufacturing jobs in the state and nationwide. ①

Figure 2: Regional Mining Employment: Historic and Projected Series
January 1990 to 2013 • Seasonally Adjusted



Source: Department of Workforce Services; U.S. BLS.